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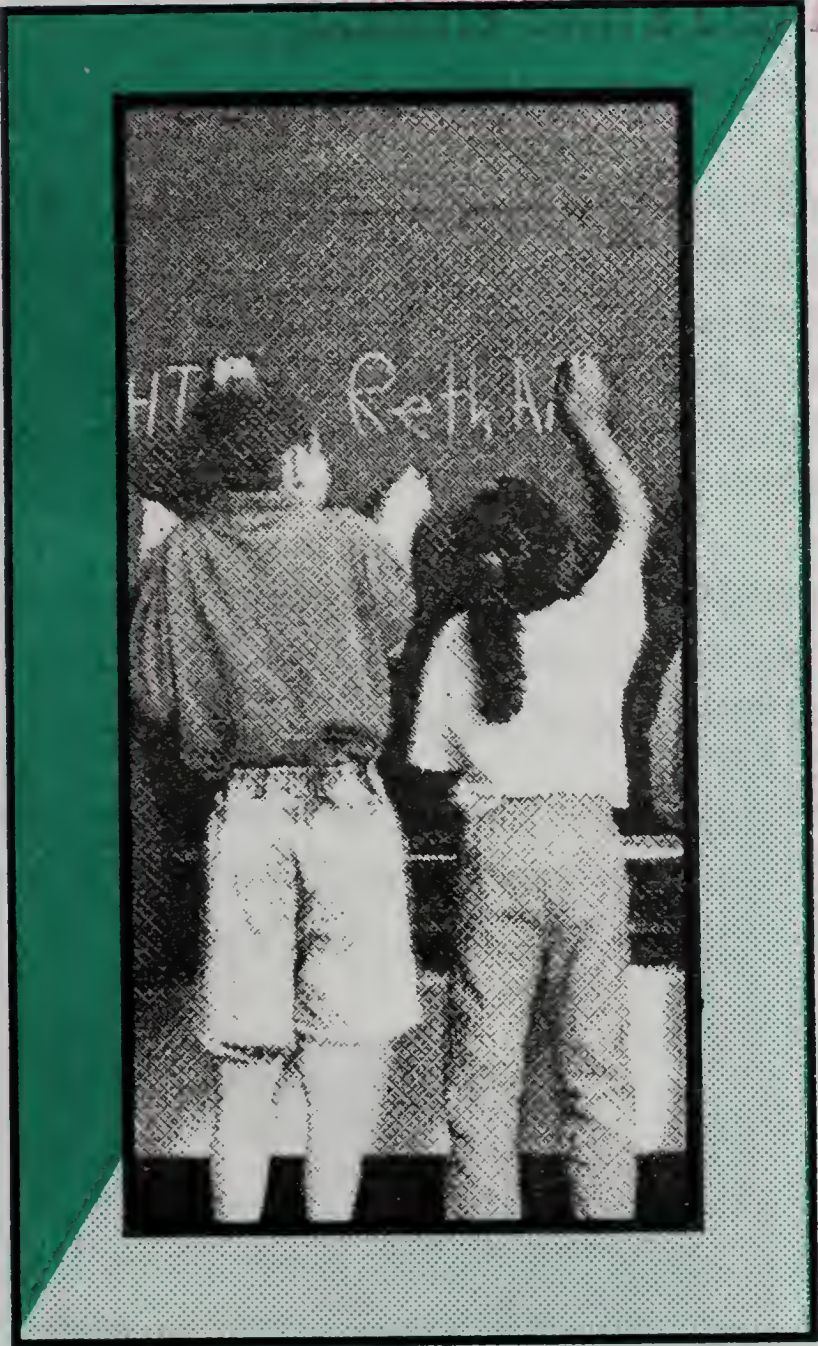
School District Reorganization

I379.1535 At a Glance

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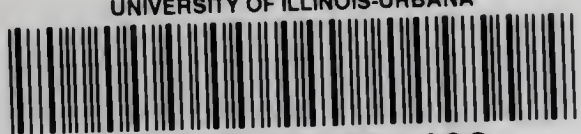
Glenn W. McGee

State Superintendent of Education

Ronald Gidwitz - Chairman

Illinois State Board of Education

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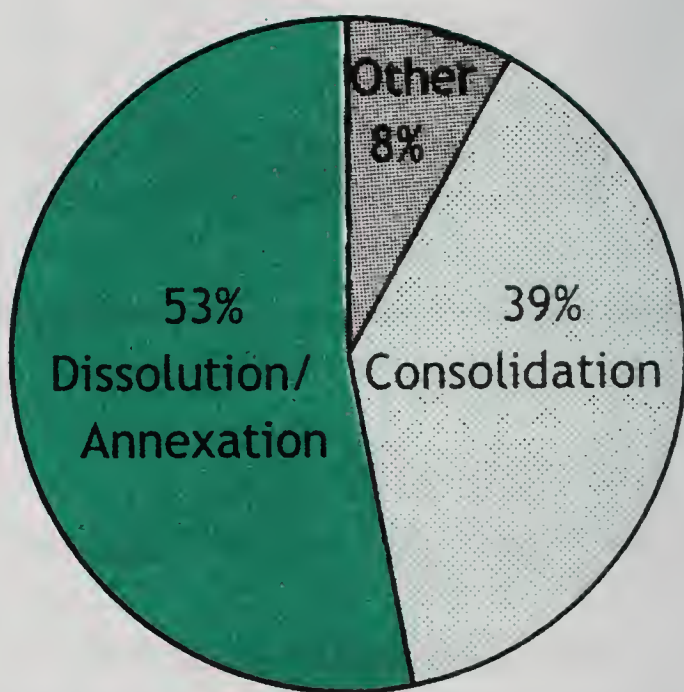
School District Reorganization

School district consolidation and reorganization has been around since 1899, with the first consolidation petition in 1903. Although different needs have driven reorganization in the past, the critical areas of concern today are the educational opportunity reorganization provides students and the fiscal viability of school districts to provide the highest quality educational opportunities.

In addition to the basic financial motivations for reorganization, research demonstrates that for high school students, school size can make a difference in both achievement and in the number of course offerings available to students.

From 1980 to 1999, the number of individual school districts has decreased from 1,011 to 897, a reduction of more than 11 percent.

Reorganizations that took effect
FY1990 through FY2000



TYPES OF REORGANIZATIONS:

Consolidation is the merger of two or more existing districts to create a new district and requires:

- ⇒ Voter signatures or school board action;
- ⇒ Public hearing conducted by regional superintendent;
- ⇒ Approval by State Superintendent; and
- ⇒ Successful referendum.

Annexation is the incorporation of a portion or all of one school district into another school district and requires:

- ⇒ Voter signatures or school board action;
- ⇒ Public hearing conducted by regional board of trustees;
- ⇒ Regional board of trustees approval; and
- ⇒ Referendum approval (for annexation of entire district).

School District Conversion is the formation of a single new high school district and new elementary districts based upon the boundaries of a dissolved unit district and requires:

- ⇒ Voter signatures or school board action;
- ⇒ Public hearing conducted by regional superintendent;
- ⇒ Approval by State Superintendent; and
- ⇒ Successful referendum.

High School Deactivation is the deactivation of a district's high school attendance center and sending its students in grades 9 through 12 to one or more other districts once all districts agree and requires:

- ⇒ Board resolution to deactivate;
- ⇒ Successful referendum; and
- ⇒ Tuition agreement by the affected districts.

Cooperative High School is the establishment of a jointly operated high school by two or more contiguous unit or high school districts, each with grades 9 through 12 enrollments of fewer than 600 students while retaining the affected districts' school boards and requires:

- ⇒ Board resolution by all boards affected;
- ⇒ Successful referendum; and
- ⇒ Cooperative agreement by the affected districts.

STATE FINANCIAL INCENTIVES

A major impetus for school reorganization began in 1983 when the General Assembly established financial incentives for newly consolidated districts. Since that time, these same incentives have been authorized for other types of reorganizations. Except for high school deactivation and cooperative high school formation all other types of reorganization may qualify for these incentives.

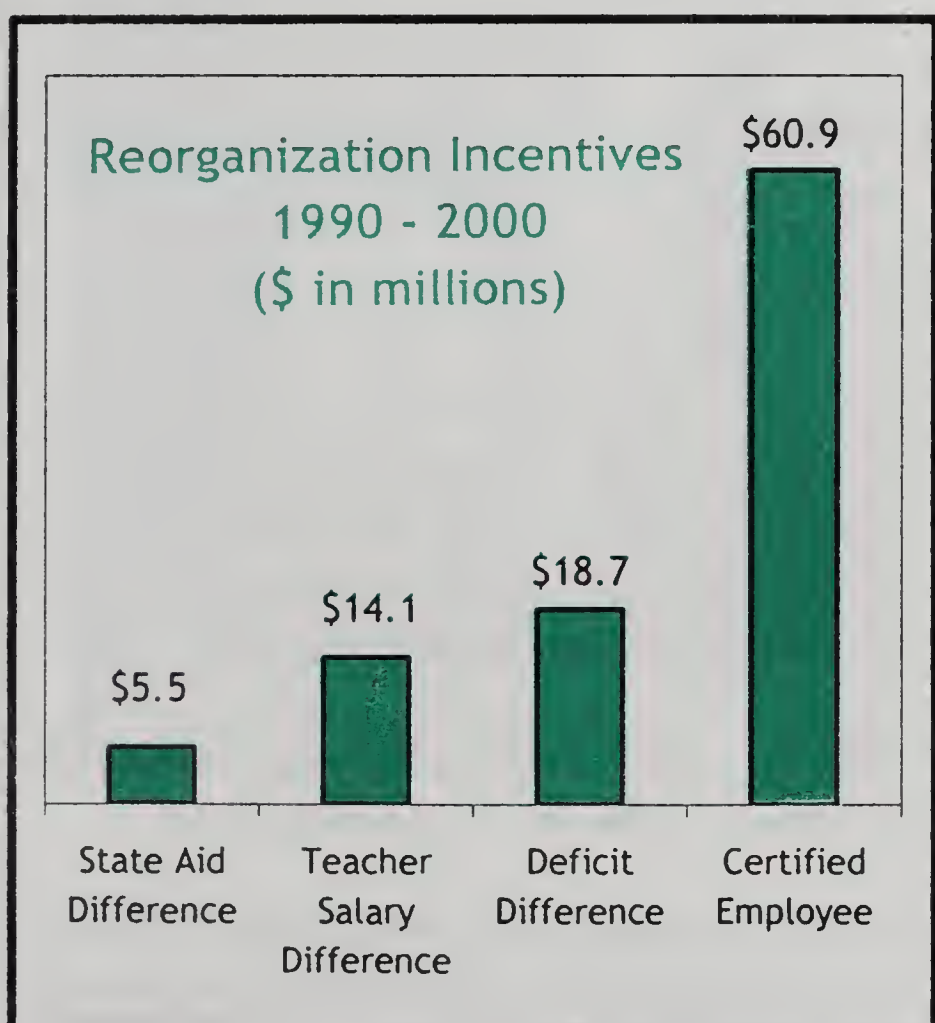
TYPES OF FINANCIAL INCENTIVES:

State Aid Difference: If the general state aid is less for the newly reorganized district in the first year than the general state aid would have been that same year on the basis of the previously existing districts, the state will make supplementary state aid payments equal to the difference for the first four years to the reorganized district.

Teacher Salary Difference: If there is a difference between the sum of the salaries earned during the previous year by teachers of the new district and the sum of the salaries those teachers would have been paid if placed on the salary schedule of the previously existing district using the highest salary schedule, the state will make supplementary state aid payments equal to the difference for the first four years to the reorganized district.

Deficit Offset: Deficits are calculated by totaling the audited fund balances in the educational fund, the operations and maintenance fund, the transportation fund, and the working cash fund for each previously existing district. The state will make a single supplemental state aid payment to the reorganized district equal to the difference between the largest and smallest deficit. A district with a positive fund balance will be considered to have a deficit of zero.

\$4000/Certified Employee: For one, two, or three years, a reorganized district may receive a supplementary state aid payment equal to \$4,000 for each certified employee who is employed by the district on a full-time basis for the school year.



The state has appropriated nearly \$100 million for financial incentives for school district reorganizations.

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FREQUENTLY ASKED QUESTIONS

Q. Does the state mandate reorganizations?

A. NO. School district reorganization is a strictly voluntary matter of local choice.

Q. Why do school districts choose to reorganize?

A. School districts reorganize primarily to improve their ability to develop and implement quality programs for students, offset student enrollment declines, and provide a more cost-efficient and stable school district.

Q. Will school districts and citizens have any input into the process?

A. Yes. There will be local public hearings conducted by the regional superintendent. Anyone may provide input.

Q. Will my taxes be affected?

A. Possibly. In a consolidation, new tax rates will be included in the petition for the new school district. In an annexation or dissolution, property tax payers will pay the tax rates of the annexing district.

Q. Who is responsible for the expenses associated with the reorganization?

A. School boards may pay the costs associated with the preparation of the petition and with the dispersing of information about the reorganization; however, no public funds may be used to urge anyone to vote for or against the proposition.

Q. Will each district involved be represented on the new school board?

A. The requirements to elect a new school board are set forth in the petition.

Q. Who can file a consolidation petition?

A. Generally, a petition may be filed by any of the affected school boards or with the signatures of 50 voters or 10 percent of the voters of the districts involved, whichever is less.

Q. Do voters of each affected school district have to approve the petition on the referendum?

A. In the formation of unit districts, voters of each affected school district must approve the petition by a simple majority. In the formation of elementary or high school districts, only a simple majority overall is needed to approve the petition. In an annexation or dissolution of an entire district, voters of each affected district must approve the petition by a simple majority.

Q. What is a Committee of Ten?

A. The Committee of Ten is a committee of ten individuals designated in the petition to act on behalf of all the petitioners. These individuals may be school board members, people who work in the school system, or any other resident voter of the affected districts.

Q. Is the new district required to adopt the salary schedule of the previous district that paid the most and also to pay elementary teachers on the same schedule as secondary teachers?

A. No. The new district's salary schedule does not legally depend on previous schedules, but usually on a negotiated agreement with an organization representing the teachers in the new district. Although no unit district currently pays its elementary teachers on a lower salary schedule than its high school teachers, a uniform salary schedule across all grade levels is not required by law.

Each reorganization situation is unique. Many items will depend on the individual circumstances that surround the particular school districts involved. The employees of the Illinois State Board of Education are ready to assist the school districts through this process successfully.

For specific information regarding consolidations, refer to Articles 11A, 11B, and 11D of the School Code. For specific information regarding annexations and dissolutions, refer to Articles 7 and 7A of the School Code.

For additional information and assistance, please contact the School Financial Management Services Division of the Illinois State Board of Education at 217/785-0583. Information is also available on the I.S.B.E. web page at www.isbe.state.il.us/sfms/reorg.htm